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2009 Indiana State Fair Opening Ceremony



annual State Fair for the benefit of all citizens of Indiana.

2009 INDIANA STATE FAIR COMMISSION, BOARD & STAFF

### Commission

Kyle Hupfer, Chairman Indianapolis

Ted McKinney Indianapolis

Wayne Vance Greenwood

Susan Hayhurst Terre Haute

Mark Merkel, President Indiana State Fair Board Geneva

Gary Emsweller, C.A.S.H.

Danville

Andy Miller,

Director, Department of Agriculture

Senator James Merritt, Chairman, State Fair Advisory

Committee

**Invited Representation** Governor Mitch Daniels

Representative: Anne Valentine

### COMMISSION STAFF.

Cynthia C. Hoye, **Executive Director** 

Dave Hummel, Deputy **Executive Director** 

Patrick Berger,

Director of Administration

Margaret Davidson, Director of Presentation &

Development

David Ellis, Director of Finance

Joy Rothrock,

Director of Legal & Govt./

**Public Affairs** 

Richard Trombley,

Director of Buildings & Grounds

Pat Hudson

**Executive Secretary** 

### FAIR BOARD

Elected

District 1: Steve Simmerman Battleground

District 2:Bill Leininger Akron

District 3: Mark Merkel Geneva

District 4: Roger Hale Greenfield

District 5: John Tarr

Orleans

District 6: Jim Lankford

Martinsville

District 7: Dick Crum Indianapolis

Appointed District 1: Bud Krohn, Jr.

Winamac

District 2: Diana Kuhn

Bremen

District 3: Lynette Walter

Warren

District 4: Bryan Messersmith Sheridan

District 5: Paul Graf Sellersburg

District 6: Steve Patterson

Brownsburg

District 7: Al Polin Indianapolis

Ex Officio Members

Governor Mitch Daniels Anne Hazlett, Director, Department of Agriculture

Dr. Chuck Hibberd

## Indiana State Fair Advisory Committee

Representative Bill Ruppel

Representative

Kreg Battles

Representative **Bob Bischoff** 

Representative

Phyllis Pond

Senator Phil Boots

Senator James Merritt, Chairman

Senator Senator

Richard Young Jim Lewis

Indiana State Fair Commission

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## EXECUTIVE DIRECTOR'S REPORT



Cindy Hoye

solid financial footing.

In 2009, we increased services to show producers and streamlined operations to meet the demands of the market-place. The results led to many successes as event promoters are looking for values like never before. We also benefitted by adding many skilled seasonal workers following our first-ever job fair, which attracted more than 2,000 people eager to work for the State Fair.

N here is no question that

economic days we live in. The

State Fairgrounds and the In-

diana State Fair have shown

themselves to be strong,

flexible leaders, adapting as

necessary to the changing

climate in order to remain on

these are challenging

Our first 17-day State Fair was a rousing success with more than 973,000 visitors in attendance. Even Miss America 2009 Katie Stam, a Seymour native, turned out to be part of the largest audience in our history. Visitors certainly appreciated having a third weekend to come out and enjoy the fair.

Maintaining and improving the facilities continued to be a top priority in '09. Fair visitors coming off the FairTrain were greeted with a renovated 39th Street Bridge. We also added a 45-foot tall residential wind turbine and three 10 foot-by-20

foot photovoltaic awnings (solar panels) with 48 photovoltaic cells that demonstrate 21st century technology.

Altogether, we are in excellent position to continue as Central Indiana's top tourist destination. The September appointment of Andre Lacy as chairperson of the State Fair Commission has added a wonderful new perspective, and I couldn't be happier to hear that one of his first observations was the incredible dedication in our everyday staff and management.

I am extremely proud of the team we have in place and the work we continue to do here at the State Fairgrounds, and I look forward to successfully navigating the challenges that lie ahead in 2010.

Cynthia C. Hoye

Executive Director, Indiana State Fair Commission



Miss America Katie Stam, Governor Mitch Daniels, and Lt. Governor Becky Skillman make a tomato toast on Opening Day

## WHO WE ARE...WHAT WE DO

It's where one can learn to ice skate... or get landscaping tips... or buy a turtle... or take a Ferris wheel ride. The Indiana State Fairgrounds is all those things, and so much more! With 300 different events taking place here over the course of a single year, the Fairgrounds attracts more than 2 million visitors annually to events like Indiana Ice hockey



Indiana Ice Hockey

games, the Indiana Flower & Patio Show, the Midwest Reptile Show and, of course, the Great Indiana State Fair. That makes the State Fairgrounds the number one tourist destination in Central Indiana!

The State Fairgrounds is unique for many reasons, including the fact that it's located in the heart of one of the country's biggest cities and that it's been in the same location for more than 100 years! A year-round staff of approximately 90 people

helps keep the Fairgrounds operating smoothly and efficiently as it continues to host many diverse events in a competitive marketplace full of things to do. Knowing its place in the market is essential to remaining productive and solvent. In 2009, the Business Plan called for "Continued Progress" centering on four areas:

**Communication** – Effectively sharing ideas, values and information with consumers, exhibitors, contractors, legislators and each other.

**Community** – Engaging all members of the Indiana State Fairgrounds greatest resource in the planning and implementation of activity.

**Connections** – Cultivating new and nurturing existing partnerships to better serve the mission, in addition to changing obstacles into opportunities.

**Creativity** – Generating ways to think beyond the typical business model and find ways to creatively solve problems.

With these strategic points of emphasis, the Indiana State Fair Commission did progress its primary business units, namely Facility Management, Event Producers, Fiscal Management and Agricultural Educators, while remaining **true to its mission**:

To preserve and enhance the Fairgrounds and the annual State

Fair for the benefit of all citizens of Indiana.



The Indiana State Fair

Continued on page 6

## WHO WE ARE...WHAT WE DO

home are continually drawing large

crowds while satisfaction levels with

staff remain high. The forecast for

the future of these shows remains

extremely positive.

In addition, the Fairgrounds also hit the mark in regard to our stated vision:

To be a premier year-round gathering place that maximizes its resources to host a wide range of diverse activities. To be recognized as the best State Fair in the country, showcasing agriculture & youth in an educational and entertaining environment.



Little Hands on the Farm

The Fairgrounds' mission and vision both revolve around our core values, which include:

- Agriculture as our foundation
- Operating in a safe and environmentally conscious manner
- · Investing in our customers, our personnel and our facilities
- Striving toward a more self-sufficient financial model
- Building family memories and traditions for future generations
- Responsible stewardship of this historic and treasured state institution
- Constant innovation and dynamic, relevant presentations



The Indiana State Fair Train Bridge

Overall, the Indiana State Fairgrounds continues to be a viable, lucrative business despite rough economic times. The large consumer shows that have called the Fairgrounds' 250 acres

## ANDRE LACY APPOINTED STATE FAIR COMMISSION CHAIRMAN



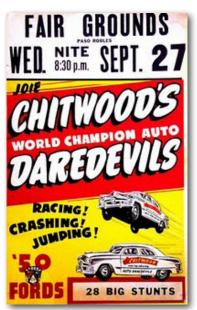
Andre Lacy, Chairman

ndre Lacy is a busy A man. He's an entrepreneur, a civic leader, an educator, a golfer, a scuba diver, a pilot, a sailor, a mountain climber, a husband and a father. But despite his many interests and obligations, he makes

sure to set aside time each year for two of his favorite pastimes: the circus and the Indiana State Fair.

An Indianapolis native, Lacy developed a love for the State Fair very early in life. He's a former 4-H member who participated in the fair more than 50 years ago. He even marched in the early Band Day competitions.

When asked about some of his fondest early State Fair



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memories, he doesn't focus on his 4-H projects or marching with his Pike High School band mates. He talks about seeing the Joie Chitwood Auto Daredevils, which is no surprise coming from a man who has climbed to the top of Mount Kilimanjaro.

Now this businessman/adventurer has been appointed by Governor Mitch Daniels as chairman of the State Fair Commission, the group that establishes policy and procedure for the fairgrounds' year-round operations.



"I am immensely humbled and pleased to work for the commission," Lacy said. "I view my role as a lead director, and believe this can be an ever-improved institution."

Lacy was born to lead. His grandfather, Howard Lacy, cofounded U.S. Corrugated-Fibre Box Company in Indianapolis in 1912, which became Lacy Diversified Industries in 1972. Andre got into the business in 1959, working his way up to president in 1978.

Among his many professional achievements, Lacy was named Indiana Master Entrepreneur of the Year in 1994. Indiana Governors Roger Branigan and Robert Orr recognized him as a Sagamore of the Wabash. He also received an Honorary Doctorate of Engineering from Rose Hulman Institute of Technology.

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## ANDRE LACY APPOINTED STATE FAIR COMMISSION CHAIRMAN

Continued from page 7



Lacy succeeds Kyle Hupfer, who resigned in August. He is also active on many other corporate boards and civic organizations, including The National Bank of Indianapolis, United Way, IU Kelley School of Business Board of Visitors, Butler University Business Accelerator Advisory Panel and Indianapolis Chamber of Commerce.

He already sees the challenges and opportunities that lie ahead in his new role as commission chairman. He understands the responsibility that comes with the stewardship of the tradition-rich fairgrounds, and he believes the pieces are in place to keep the organization moving forward.

"The most impressive thing is the competence, skill and dedication of the facility staff," he said. "It's exciting to be part of, and I'm humbled."

Indiana State Fair Commission

## **Indiana State Fair Commission Balance Sheet** as of December 31, 2009

Assets as of December 31, 2009		
Current Assets		
Cash & Equivalents	\$	8,386,192
Accounts Receivable		433,344
Prepaid Expense		-
Inventory		181,365
Total Current Assets		9,000,901
Restricted Assets		60.206
Restricted Cash & Equivalents Operating Reserve Fund		60,286 1,001,533
Bond Debt Service Reserve Fund		2,254,460
Bond Funding Account		1,863,922
Total Restricted Cash & Equivalents		5,180,201
Deferred Charges - Bond Issuance Costs		438,677
Net Pension Asset		89,209
Property, Plant & Equipment		
Land & Improvements		14,833,252
Buildings & Improvements		70,025,354
Machinery & Equipment		3,873,665
Office Furniture & Equipment		689,514
Less: Accumulated Depreciation		(46,516,271)
Total Property Plant & Equipment  Total Non-current Assets		42,905,514 48,613,602
Total Assets	\$	57,614,503
Total Assets	Ψ	37,014,303
Liabilities & Fund Equity		
Current Liabilities Payable from Unrestricted Funds	Φ.	070 507
Accounts Payable	\$	870,597
Salaries Payable		30,967
Payroll Withholdings Payable Revenue Bonds Payable -Current		22,185 1,535,000
Revenue Bond Interest Payable		299,465
Taxes Payable		5,320
Deferred Income		168,811
Compensated Absences Payable-Current		230,162
Total Current Liabilities		3,162,506
Long-Term Liabilities		
Revenue Bonds Payable - Long Term		12,860,000
Unamortized Bond Discount		(17,634)
Unamortized Loss on Sale of Bonds		(22,920)
Compensated Absences Long Term Payable		195,021
Total Long-Term Liabilities		13,014,468
Total Liabilities		16,176,974
Net Assets		
Invested In Capital Assets Net of Related Debt		28,510,515
Future Debt Service		4,118,382
Other Purposes		4,585,977
Unrestricted		4,222,655
Total Net Assets	_	41,437,529
Total Liabilities & Fund Equity	<u>\$</u>	57,614,503

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# **Indiana State Fair Income Statement**For Year Ended December 31, 2009

Fair Operations Gates Concessions/Midway Entertainment	\$ 3,177,981
Concessions/Midway	\$ 3 177 981
	0, , 00 .
Entertainment	2,535,649
Entertainment	1,742,996
Sponsorship	1,489,500
Expense Reimbursement	215,496
Sports/Events	130,874
Livestock	586,703
Shuttle Bus	218,389
Parking	218,426
Other	 220,280
Total Fair Operations Revenue	10,536,292
Operating Expenses	
Fair Operations	
Payroll	2,028,761
Services other than Personal	222,790
Services by Contract	4,549,877
Materials, Parts & Supplies	2,241,955
Awards	631,018
Bad Debts Expense	-
Travel	 41,237
Total Fair Operations Expense	9,715,637
Net Income (Loss) from Operations	 820,655
Non-Operating Revenues (Expenses)	
Interest Income	1,666
Total Non-Operating Revenues (Expenses)	 1,666
Net Income (Loss)	\$ 822,321

Indiana State Fair Commission

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## Indiana State Fairgrounds Income Statement For Year Ended December 31, 2009

Operating Revenues Fairgrounds Operations		
Gates		_
Concessions		710,057
Rental of Buildings, Grounds, & Equipment		2,272,677
Expense Reimbursement		1,365,167
Events		463,837
Ice Skating & Skate Shop		207,050
Parking		863,767
Sponsorships		151,600
Other		91,689
Total Fairgrounds Operations Revenue		6,125,845
Operating Expenses		
Fairgrounds Operations Expense		
Payroll		4,399,314
Services other than Personal		2,684,346
Services by Contract		2,252,963
Materials, Parts & Supplies		1,268,793
Awards		34,968
Depreciation Expense		4,242,184
Bad Debts Expense		, 591
Travel	-	4,853
Total Fairgrounds Operations Expense		14,888,012
Net Income (Loss) from Operations		(8,762,167)
Non Operating Payonus (Evnence)		
Non-Operating Revenues (Expenses)  Property Tax Distribution		1 776 655
General Fund Appropriations		1,776,655 1,553,676
Pari-Mutuel, Off-track Betting Distribution		
Riverboat Distribution		142,919 6,409,018
		·
Capital Contribution		(595,762)
Interest Income		18,017
Interest Expense 2002 Bond (Bond Debt Service)		(614,147)
Contributions and Grants		115,500
Total Non-Operating Revenues (Expenses)		8,805,876
Net Income (Loss)	\$	43,709

### Indiana State Fair Commission Comparative Analysis (\$000'S)

Fair	2005	2006		2007		2008		2009
Income Expense	\$ 8,697 8,196	\$ 10,227 9,905	\$	9,829 9,328	\$	10,303 8,968		\$ 10,538 9,716
Income Net of Expenses	\$ 501	\$ 322	\$	501	\$	1,335		\$ 822
Fairgrounds (1)								
Income Expense	\$ 14,834 11,341	\$ 15,210 13,253	\$	14,258 12,290	\$	15,099 12,430	(4)	\$ 16,026 11,856
Income Net of Expenses (2)	3,493	1,957		1,968		2,669		4,170
Less Depreciation	(4,018)	(4,135)		(4,254)		(3,899)		(4,242)
Other Revenue/(Expense)	-	3,200	(3)	813	(5)	332	(6)	116 (7)
Net Income/(Loss)	(525)	1,022		(1,473)		(898)		44

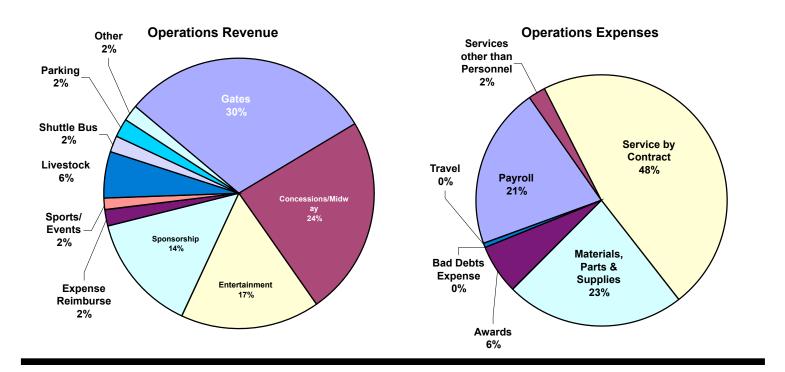
#### Footnotes:

- (1) Fairgrounds includes revenue and expenses for Facility Charge and Center for Agricultural Science and Heritage
- (2) Income Net of Expenses is used primarily for funding revenue bond debt and fixed asset additions.
- (3) Funds from INDOT/DNR for DNR Fishing Pond on ISFC Property.
- (4) \$350,000 shortfall in Property Tax Distribution.
- (5) Primarily \$600,000 donation from Center for Agricultural Science and Heritage for moving the Normandy Barn.
- (6) Contributions of \$120,000 from Center for Agriculture and Science Heritage towards the expense of renovating the Normandy Barn, \$108,000 from RAMC LLC for the construction of the Mac Reynolds Barn, and \$50,000 and \$10,000 from Farm Bureau Insurance and North American Midway Entertainment, respectively, towards the construction of the Covered Bridge. Remaining is primarily individual donations toward the Covered Bridge project.
- (7) Primarily \$55,000 donation from Dow AgroSciences for their continued support of the renovation of Discovery Hall, \$36,400 and \$21,400 from the Indiana Department of Energy and Indianapolis Power & Light respectively for support of green initiatives. The remaining is individual donations.

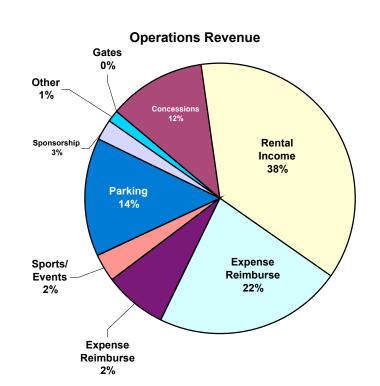
### Indiana State Fair Commission

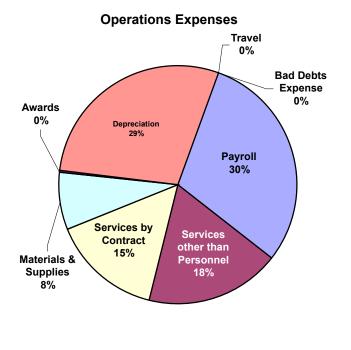
## Indiana State Fair Commission Revenue and Expense Graphic Representation

#### INDIANA STATE FAIR



#### INDIANA STATE FAIRGROUNDS





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<sup>\*</sup> All 2009 financial data in this report is unaudited. Audited financials will be available by written request when the audit has been published.

